

### Feed-in Tariffs

### FAQ: Announcement on Prospective Scheme Closure

www.ofgem.gov.uk

July 2018

### What might change?

On 19 July 2018 the Department for Business Energy and Industrial Strategy (BEIS) published a consultation in which it states its intention to close the FIT scheme to new applicants from 1 April 2019, barring several exceptions.

This FAQ is for existing participants and current and future applicants to the FIT scheme who want a basic overview of what this announcement could mean if it is implemented as proposed.

The proposals for the FIT scheme are set out in full in the <u>consultation</u>. Please contact BEIS with any questions about the consultation at <u>feedintariff@beis.gov.uk</u>. In due course, BEIS expects to announce a consultation response, which is likely to set out how and whether it will introduce these proposals or whether they are subject to change.

For guidance about the existing legislation and how to apply to the scheme please read our other <u>FIT FAQ</u> and our <u>Guidance for</u> <u>Renewable Installations (version 12)</u> on our <u>website</u>.

## Are there implications for accredited installations?

No. BEIS has said in its consultation that the proposals would have no effect on installations currently accredited under the scheme. FIT support is payable for 20 years (25 years in some cases) and tariffs are adjusted annually by RPI.

Your obligations under your statement of FIT terms will continue for the duration of your support. This includes your obligation to inform either your FIT licensee or us about

any changes including, for example, installing battery storage with your FIT installation, replacing or moving metering, or adding capacity.

## What do these proposals mean if I have already submitted an application?

Nothing. These proposals do not affect applications that are already submitted and currently being considered for accreditation. Your application will be assessed against the existing scheme eligibility criteria to determine whether it can be accredited.

## What would happen if my application is still being processed after 31 March 2019?

Your application can be processed after 31 March 2019 provided you apply in time and there is space for your installation in a deployment cap. Your application would be assessed against the scheme eligibility criteria to determine whether it can be accredited.

# I'm thinking about making an application. If BEIS introduce these proposals, what would I need to do and by when?

This depends on the type of application you intend to make to the FIT scheme.

 Small installations (solar photovoltaic and wind installations with a Declared Net Capacity (DNC) of 50kW or less and all micro combined heat and power (CHP) installations) would need to commission and have a Microgeneration Certification Scheme (MCS) certificate issued on or before 31 March 2019. An application for accreditation would then need to be made to a FIT licensee by 31 January 2020. Please note that an MCS certificate can only be issued once the installation has been installed and commissioned.

- Applications for pre-registration of small school installations would need to be made to us on or before 31 March 2019. Applicants would then have 12 months from the date the pre-registration application was received by us in which to apply to their FIT licensee for accreditation. For more information about the existing policy on school installations, please see the guidance on our website.
- Applications for pre-registration of small community installations, would need to be made to us on or before 31 March 2019. Applicants would then have 12 months from the date the preregistration application was received by us to commission and apply to their FIT licensee for accreditation. For more information about the existing policy on community installations, please see the guidance on our <u>website</u>.
- Applications for ROO-FIT accreditation of a commissioned installation, and preaccreditation of an installation that is not yet commissioned (including applications for ROO-FIT community and school installations) would need to be received by us on or before 31 March 2019.

Submitting an application on time is not a guarantee of support. There must be space in the relevant cap for your installation, and all scheme eligibility criteria must be satisfied.

Please read our other <u>FIT FAQ</u> and our <u>Guidance for Renewable Installations</u> (version 12) on our <u>website</u> for more information about how to apply to the FIT scheme, the criteria your installation needs to meet to be eligible for support and how tariffs are allocated.

## How would the caps regime work with scheme closure?

Deployment caps place limits on the total capacity that can receive a particular tariff rate in a particular three-month period. More information about how the caps regime works at present can be found in chapter 2 of our <u>guidance</u>.

BEIS has indicated in its consultation that installations that do not fall into any of the caps for their remaining particular technology because the caps are oversubscribed, would not be eligible for support from the scheme. We publish weekly reports on our website showing deployment towards each cap.

Would BEIS continue to subsidise new small scale renewable installations if the FIT scheme closes?

BEIS have issued a <u>call for evidence</u> on the future for small scale low carbon generation alongside their consultation. Any questions on this future policy should be directed towards BEIS at futureofsmallscalesupport@beis.gov.uk.

### More information

If you are thinking about installing a small scale installation in England & Wales there is further information on the Government's <u>new digital advice service</u>. If you are in Scotland then you can find further information at <u>Home Energy Scotland</u>. You can also find guidance on our <u>website</u>, including our FIT scheme <u>FAQ</u>. To find out more about ROO-FIT installations and how to join the FIT scheme, please see the <u>guidance</u> on our <u>website</u>, including our FIT scheme <u>FAQ</u>

#### About this document

Please note that this document should not be regarded as a definitive technical or legal guide to the current scheme. Neither should it be considered as a definitive guide to the scheme changes that BEIS might introduce in the future. This document does not constitute legal advice and prospective applicants may want to consider taking their own independent legal and other advice.